BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer	Chair
Marshall Johnson	Commissioner
Ken Nickolai	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of Modification to the IntraLATA Presubscribed Interexchange Carrier Change Charge

ISSUE DATE: January 25, 2006

DOCKET NO. P-999/CI-05-1722

ORDER MODIFYING INTRALATA PRESUBSCRIBED INTEREXCHANGE CARRIER CHANGE CHARGES AND REQUIRING REVISED TARIFFS

PROCEDURAL HISTORY

On January 12, 1996 and again on February 7, 1997, the Commission issued Orders limiting intraLATA Primary Interexchange Carrier (PIC) change charges to $5 without further cost justification.[1] In these Orders, the Commission limited the total PIC change charge to $5 where a subscriber changed both intra- and interLATA carriers at the same time. These requirements were consistent with a Federal Communications Commission (FCC) Order establishing interLATA PIC change charges at that time.

On February 17, 2005, the FCC issued a Report and Order (CC Docket 02-53) modifying the earlier intraLATA PIC change charges.

[1] *In the Matter of an Investigation into IntraLATA Equal Access and Presubscription*, Docket No. P-999/CI-87-697, ORDER ESTABLISHING US WEST BUSINESS PRACTICES FOR INTRALATA PRESUBSCRIPTION (January 12, 1996) and *In the Matter of an Investigation into Business Office Practices for IntraLATA Presubscription*, Docket No. P-999/CI-96-482, ORDER ESTABLISHING BUSINESS PRACTICES FOR INTRALATA PRESUBSCRIPTION FOR LOCAL EXCHANGE CARRIERS OTHER THAN US WEST (February 7, 1997).

On October 27, 2005, the Minnesota Department of Commerce (the Department) filed a letter with the Commission recommending that the Commission open a generic docket and request comments regarding the FCC's modification of earlier intraLATA PIC change charges.

On November 4, 2005, the Commission issued a Notice seeking comments on how to reconcile Minnesota rates and tariffs with the FCC's February 7, 2005 Report and Order. The Commission requested comments by November 28, 2005 and reply comments by December 12, 2005.

On November 28, 2005, the Department and Qwest Corporation (Qwest) filed comments.

On December 5, 2005, MCI, Inc. filed comments.

On December 12 and 13, 2005, reply comments were received from the Department and Qwest, respectively.

The Commission met to consider this matter on January 19, 2006.

FINDINGS AND CONCLUSIONS

In its February 17, 2005 Report and Order modifying the earlier interLATA PIC change charges, the FCC stated:

> [W]e require all incumbent LECs that process PIC change requests through electronic and manual methods to revise their tariffs to include one rate for PIC changes that are processed electronically and a separate rate for PIC changes that are processed manually. Rates that are within the safe harbors of $1.25 for electronically processed PIC changes and $5.50 for manually processed PIC changes may be filed without separate cost support. Rates in excess of these safe harbors must include appropriately detailed cost support justifying the rates. Incumbent LECs must also revise their tariffs to reflect a rate that is equal to 50 percent of the full PIC change charge rate when a customer requests a PIC change in conjunction with an LPIC [intraLATA PIC] change.[2]

All commenting parties agreed that the Report and Order modified the FCC's earlier position regarding interLATA PIC change charges and provided a different formula for calculating these charges than the Commission had prescribed in previous Orders. They all recommended that the Commission adopt the FCC's new position for Minnesota.

The Commission agrees with the commenting parties that the Commission's requirements should mirror the FCC price level and structure. This will ease administration and prevent the carriers from facing inconsistent obligations.

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[2] FCC, Report and Order, Docket No. CC Docket 02-53 (February 17, 2005) at ¶ 22.

Accordingly, the Commission will adopt the FCC's safe harbor PIC change charge of $1.25 for electronically processed intraLATA PIC changes and $5.50 for manually processed intraLATA PIC changes. If a subscriber changes both inter- and intraLATA carriers at the same time the subscriber should be charged one half of the relevant rate. These rates should also be considered a safe harbor charge for competing local exchange carriers (CLECs) under Minnesota Rules 7812.2210, subp. 8.

The Commission will also order all companies subject to the FCC Order to update their tariffs within 30 days to reflect the applicable charges. Any carrier not subject to the FCC Order but wishing to adopt safe harbor rates is advised to update its tariff pursuant to the relevant rules. Tariff changes should be filed within 30 days.

ORDER

1. The Commission hereby adopts the FCC's safe harbor PIC change charge of $1.25 for electronically processed intraLATA PIC changes and $5.50 for manually processed intraLATA PIC changes. The Commission clarifies that if a subscriber changes both inter- and intraLATA carriers at the same time the subscriber should be charged one half of the relevant rate. These rates should also be considered a safe harbor charge for CLECs under Minnesota Rules 7812.2210, subp. 8.

2. All companies subject to the FCC Order shall update their tariffs to reflect the applicable charges. Any carrier not subject to the FCC Order but wishing to adopt safe harbor rates may update its tariff pursuant to the relevant rules.

3. All tariff changes shall be filed within 30 days of this Order.

4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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